

The 2006 Winter Olympics in Italy

U.S. Firms Find Gold

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The 2006 Winter Games, to be hosted by the city of Turin, Italy, are less than 1,000 days away. When we think of sporting competition, we immediately imagine athletes standing atop the winners' podium, the ultimate reward for hard work. However, it is not only the athletes who have the opportunity to be rewarded during these events. Companies are discovering new markets and profitable opportunities for supplying goods and services to major international sporting events. Someone has to supply the food, the equipment, the buildings, and the venues. Additionally, thousands of spectators and tourists generate strong demand for products and services.

The XX Olympic Winter Games will take place February 10–26, 2006. The Paralympic Winter Games (for athletes with physical disabilities) will take place March 10–19, 2006. Many of the opportunities to supply products or services in preparation for or during the games are available and open to U.S. firms.

INTERNATIONAL AMBITION

Turin is the fourth-largest city in Italy; it is located in the northwest corner of the country. The city was the capital of the Kingdom of Italy, after reunification in March 1861, and it is rich in history and architecture. Many beautiful churches, palaces, boulevards, and gardens grace the downtown area of Turin.

Turin is also a major European hub for technology and industry (and it is Italy's automotive capital and headquarters to Fiat). Turin is also the political capital of the Piedmont region and, as the name of the region suggests, the mountains are never far away. Most of the events of the 2006 Winter Olympics will take place in the mountainous areas west of the city, which are part of the Alps, as well as in sports arenas in the city.

Following the example of Salt Lake City, which hosted the XIX Olympic Winter Games, Turin wants to benefit from the games by achieving world recognition. It also would like to position itself as an "Alpine city," creating a stronger connection with the nearby mountains, site of many winter sports venues. Infrastructure is being planned and built accordingly. The regional government of Piedmont is using Italian government financing to make infrastructure improvements that will benefit the tourism sector long after the Olympics have ended.

BUILDING VENUES FOR THE GAMES

The venues for the games are going to be distributed as follows. Ice sports (ice hockey, figure skating, speed skating, and short-track racing) will take place in the city of Turin. Mountain sports (Alpine skiing, biathlon, bobsleigh, luge, skeleton, curling, snowboarding, ski jumping, cross-country skiing, Nordic combined, and freestyle skiing) will take place in the mountains west of

Turin. Three Olympic villages and seven media villages are also planned. The Olympic villages will provide lodging for athletes, and the largest one will be located in downtown Turin. All of the media villages will be located in the Turin metropolitan area.

BIDDING ON OLYMPIC CONTRACTS

Two separate organizations are involved in the organization of the XX Winter Games: the Turin Olympics Organizing Committee and Agenzia Torino 2006. U.S. firms interested in supplying goods and services to the Olympics, or in related infrastructure projects, should be aware of the main purpose of each organization.

The Turin Olympics Organizing Committee (TOROC) is a private, non-profit foundation. TOROC's mission is to organize the XX Olympic Winter Games and Paralympic Winter Games, using resources such as sponsorships, TV broadcasting rights, and ticket sales. Simply put, TOROC is responsible for managing all the resources required for ensuring optimal performance from the athletes, the Olympic personnel, and the media. Specifically, TOROC will organize all the sports events and the opening and closing ceremonies, set up and manage the temporary structures needed for athletes and spectators, and be responsible for broadcasting and media-related matters. TOROC will coordinate transportation and medical services,

and it has the final word on all marketing and promotional items. TOROC intends to make the 2006 Winter Olympics the “best ever,” and it is already planning for the legacy that the games will leave the city of Turin and the region of Piedmont in terms of infrastructure development and international recognition.

The government of Italy established Agenzia Torino 2006 as the agency responsible for the construction of permanent Olympic infrastructure and related projects, using Italian government funds. It has a budget of about 1 billion euros (\$1.1 billion). TOROC and Agenzia Torino are separate entities that work together, and their relationship is governed by contract. Agenzia Torino essentially receives direction from TOROC. TOROC determines the location of the infrastructure to be built, the technical and functional requirements, the timing, and the costs. Agenzia Torino has responsibility for carrying out plans. It makes tenders for both the planning and building phases of infrastructure projects and is ultimately responsible for their delivery. It is important to note that all projects are subject to final approval from TOROC.

Aside from the Italian government funds used by Agenzia Torino, private investments are welcome for the building of the Olympic and media villages and of some roads, construction of hotels and restaurants, and renovation of existing hotels.

PROCUREMENT VIA THE INTERNET

While it is correct to assume that many major contracts for Olympics-related projects will be awarded to Italian companies, it is also true that U.S. companies can participate—as partners, investors, or suppliers—in the major infrastructure projects of the games. Construction and investment in northwestern Italy over the next four years could present many opportunities for U.S. firms. Already the London office of U.S. architectural company HOK

Sports has partnered with Studio Zoppini of Milan to design the speed ice rink. The U.S. Commercial Service in Italy is committed to helping U.S. companies identify and pursue all opportunities related to the Turin 2006 Winter Olympics.

The Internet will be the main channel of communication for tenders, from both TOROC and Agenzia Torino 2006. TOROC has already identified the product categories for which it anticipates having requirements. In order of importance, the categories include professional services, construction of temporary structures, telecommunications and other communications, electrical equipment, office automation, hotels and restaurants, utilities, clothing, and office equipment. TOROC operates under private Italian law, and in stipulating contracts with suppliers it applies principles of transparency and does not discriminate on the basis of national origin. Because of this, TOROC carries out “market research” procedures on its Web site to ensure respect for the above principles.

Web site “market research” to select qualified bidders functions as follows. In the case of projects whose value exceeds 5 million euros (approximately \$5.7 million) or of supplies of goods and services whose value exceeds 200,000 euros (approximately \$228,000), TOROC publishes, on www.torino2006.org, an “informative notice” of its requirements.

The bidding process is straightforward. The potential supplier must submit details about its operations, including balance sheets from the past three years. TOROC makes a selection of bidders. Actual bids are then accepted for consideration.

Firms interested in temporary infrastructure projects, or in the supply of goods and services, are encouraged to check both the English language (www.torino2006.org/eng/toroc_193.htm) and Italian language

(www.torino2006.org/ita/toroc_173.htm) versions of the “agreements negotiations” page of the TOROC Web site periodically. More information about “market research for the negotiation of contracts” can also be found on the same pages.

Large, permanent infrastructure projects, whose implementation is the responsibility of Agenzia Torino (such as the building of roads and sports venues), are generally open to U.S. firms as well. In publishing tenders, Agenzia Torino follows EU procedures. Agenzia Torino has already contracted out the initial stages of the work necessary for the construction of the hockey stadium, for the restructuring of the arena that will host the figure skating and short-track competitions, for the construction of the ice sports training venue, and for one of the media villages. The Web site for Agenzia Torino 2006 (www.agenziatorino2006.it) lists all tenders, including those for which bids have been already successfully submitted. The Web site is updated every Monday. The Web site is in Italian and the official language of the tenders is also Italian, but that should not deter U.S. firms interested bidding on projects. The “Amministrazione Appalti” (tender administration) office of Agenzia Torino 2006 and the offices of the U.S. Commercial Service in Italy are always available for further details. ■

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